

Message Text

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13

ACTION EB-11

INFO OCT-01 EA-11 NEA-10 ADP-00 L-03 GSA-01 OEP-01 INT-08

COME-00 TRSE-00 CIAE-00 INR-10 NSAE-00 RSC-01 RSR-01

AGR-20 /078 W

----- 023510

P R 100910 Z MAY 73

FM AMEMBASSY KUALA LUMPUR

TO SECSTATE WASHDC PRIORITY 4244

INFO AMEMBASSY BANGKOK

AMEMBASSY COLOMBO

AMEMBASSY JAKARTA

AMEMBASSY SAIGON

AMEMBASSY SINGAPORE

LIMITED OFFICIAL USE KUALA LUMPUR 2035

E. O. 11652: N/A

TAGS: ECON, ETRD, MY, US

SUBJECT: ANRPC NOTE ON RUBBER STOCKPILE DISPOSAL

1. EMBASSY HAS RECEIVED FOR TRANSMITTAL THE FOLLOWING NOTE
ADDRESSED TO THE SECRETARY OF STATE FROM JAMIL JAN SECRETARY
GENERAL OF THE ASSOCIATION OF NATURAL RUBBER PRODUCING
COUNTRIES.

2. QUOTE.

9 MAY 1973

SIR,

THE U. S. GOVERNMENTS' S PROGRAMME FOR DISPOSAL OF
RUBBER FROM HER NATIONAL STOCKPILE

I WISH TO REFER TO THE ANNOUNCEMENT MADE BY THE U. S.
GOVERNMENT AS REPORTED IN THE REUTER ECONOMIC SERVICE OF
16 TH APRIL, 1973 ON THE PROPOSAL TO REDUCE THE STOCKS OF
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STRATEGIC MATERIALS, INCLUDING RUBBER, FROM HER NATIONAL STOCK-PILE. AS INDICATED IN THE REPORT, THE RUBBER STOCKPILE IS TO BE RUN DOWN TO ZERO WHICH MEANS THAT THE WHOLE STOCK IN THE STOCKPILE, I. E. AROUND 275,000 TONS, WOULD BECOME AVAILABLE FOR DISPOSAL.

IT IS ALSO NOTED THAT THE PROPOSAL IS TO DISPOSE OF 62,000 TONS OF RUBBER FOR THE REMAINING MONTHS OF ITS FISCAL YEAR 1973 ENDING JUNE 1973, AND THAT FOR FISCAL YEAR 1974 BEGINNING JULY 1973, THE DISPOSAL WOULD BE MADE AT THE RATE OF 10,000 TONS PER MONTH.

THE U. S. PROPOSAL, AS INDICATED IN PARAGRAPH 2 ABOVE, HAD BEEN CONSIDERED BY THE ASSOCIATION OF NATURAL RUBBER PRODUCING COUNTRIES AND THE ASSOCIATION WAS OF THE VIEW THAT THE PROPOSED QUANTITY FOR DISPOSAL DURING THE REST OF FISCAL YEAR 1973 WOULD SERIOUSLY UPSET THE OVERALL SUPPLY/DEMAND POSITION AND WOULD CAUSE UNDUE DISRUPTION TO THE RUBBER MARKET. ACCORDINGLY, THE ASSOCIATION STRONGLY URGES THE U. S. GOVERNMENT NOT TO DISPOSE THE SURPLUS RUBBER AT THE QUANTITY AS PROPOSED FOR THE REST OF FISCAL YEAR 1973.

AS A COUNTER- PROPOSAL, THE ASSOCIATION WOULD LIKE TO SUGGEST THAT THE QUANTITY FOR DISPOSAL FOR REMAINING MONTHS OF FISCAL YEAR 1973 SHOULD BE THE SAME AS THAT PROPOSED FOR FISCAL YEAR 1974, I. E. AT THE RATE OF 10,000 TONS PER MONTH. THIS DISPOSAL PROGRAMME SHOULD BE MADE SUBJECT TO THE CONDITION THAT DISPOSAL SHOULD REVERT TO THE CURRENT PROGRAMME, I. E. 4,200 TONS PER MONTH AND A MAXIMUM OF 50,000 TONS PER YEAR IF THE F. O. B. MALAYSIA/ SINGAPORE PRICE FALLS BELOW 132.25 MALAYSIAN CENTS PER KILO OR 60 CENTS PER POUND.;

IT IS THE CONSIDERED VIEW OF THE ASSOCIATION THAT THE COUNTER- PROPOSAL AS INDICATED ABOVE WOULD ASSIST THE U. S. GOVERNMENT TO DISPOSE HER SURPLUS RUBBER WHILST AT THE SAME TIME WOULD NOT CAUSE UNDUE DISRUPTION OF THE RUBBER MARKET.

THE ASSOCIATION WOULD LIKE TO URGE THE U. S. GOVERNMENT TO SERIOUSLY CONSIDER THE ABOVE COUNTER- PROPOSAL IN THE LIMITED OFFICIAL USE

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INTERESTS OF NATURAL RUBBER PRODUCING COUNTRIES AND ALL THOSE CONCERNED.

YOURS SINCERELY,

JAMIL BIN MOHD. JAN

SECRETARY- GENERAL UNQUOTE.

3. EMBASSY COMMENT. IT APPEARS THAT ANRPC HAS MISUNDERSTOOD
U. S. PROPOSAL. OUR INFO PER STATE 70361 INDICATES THAT
PROPOSAL IS TO RAISE RATE OF RELEASE FOR FY 73 FROM 50,000
TONS TO 62,000. THIS WOULD MEAN RELEASE AT 10,000 TONS PER
MONTH MAY- JUNE 1973 AS ANRPC PROPOSES. PLEASE CLARIFY
PRIORITY CABLE.
LYDMAN

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NMAFVVZCZ

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To: BANGKOK
COLOMBO
EB
JAKARTA
SAIGON
SECSTATE WASHDC
SINGAPORE

Type: TE

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